

Message Text

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73

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 H-02 INR-07 L-03 NSAE-00

NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 SAM-01 IO-13

AF-08 TRSE-00 OMB-01 SAJ-01 EB-07 /090 W

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P R 031704Z AUG 76

FM AMEMBASSY LISBON

TO SECSTATE WASHDC PRIORITY 8068

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY MOSCOW

AMCONSUL OPORTO

AMEMBASSY PARIS

AMCONSUL PONTA DELGADA

USMISSION NATO

DIA WASHDC

USCINCEUR VAIHINGEN GER

COMUSFORAZ

C O N F I D E N T I A L SECTION 1 OF 2 LISBON 5216

E.O. 11652: GDS

TAGS: PINT, PO

SUBJECT: GOVERNMENT PROGRAM PRESENTED

REF: (A) LISBON 5212 (DTG 031530Z AUG 76)

(B) LISBON 5215 (DTG 031653Z AUG 76)

SUMMARY: SOCIALISTS PRESENTED THEIR PROGRAM OF GOVERNMENT TO THE ASSEMBLY OF THE REPUBLIC AUGUST 2. MARIO SOARES'S DETAILED PRESENTATION COVERED DOMESTIC POLITICAL MEASURES, ECONOMIC, LABOR, AND SOCIAL PROPOSALS AND FOREIGN POLICY. THE PROGRAM MET AN EXPECTEDLY COOL RESPONSE FROM THE OPPOSITION PARTIES, BUT HOSTILITY ONLY FROM THE PCP AND THE UDP. WHILE THE SOCIALISTS WILL FACE SOME TOUGH QUESTIONING, IT IS UNLIKELY THAT THE ASSEMBLY WILL REJECT THE GOVERNMENT PROGRAM.

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END SUMMARY.

1. PRESENTATION: PRIME MINISTER MARIO SOARES PRESENTED THE GOVERNMENT PROGRAM TO THE ASSEMBLY OF THE REPUBLIC AUGUST 2 IN A 5-HOUR MARATHON DELIVERY. SOARES OUTLINED A SERIES OF PROPOSALS TAKEN FROM THE NEW MINISTERS, THE MINISTRIES AND THE PS PROGRAM. SOARES DIVIDED HIS REMARKS ALONG THE FOLLOWING LINES:

1. TO BUILD A DEMOCRATIC STATE;
2. TO PLAN AND REORGANIZE THE ECONOMY;
3. TO ENSURE THE FINANCIAL STABILITY NECESSARY FOR ECONOMIC RECOVERY;
4. TO CONSOLIDATE PRODUCTIVE STRUCTURES, FIGHT UNEMPLOYMENT, AND EXPAND PRODUCTION;
5. TO PROMOTE GREATER JUSTICE IN THE DISTRIBUTION OF INCOMES;
6. TO MEET THE BASIC NEEDS OF THE POPULATION AND PROMOTE THE QUALITY OF LIFE;
7. TO PURSUE A POLICY OF NATIONAL INDEPENDENCE AND INTERNATIONAL COOPERATION FOR PEACE.

SOCIALISTS FOUND ONLY SEVERAL OCCASIONS TO CHEER DURING THE DELIVERY WHILE THE OPPOSITION SAT ON ITS HANDS FOR THE MOST PART.

2. DOMESTIC POLITICAL MEASURES: UNDER "CONSTRUCTION OF A DEMOCRATIC STATE," SOARES TOUCHED ON THE FOLLOWING:

- STRUCTURE OF GOVERNMENT: GOVERNMENT TEAM WAS CHOSE BECAUSE OF TECHNICAL COMPETENCE WITHOUT REGARD TO PARTY AFFILIATION. PROPOSAL TO REFORM PUBLIC ADMINISTRATION WILL BE SUBMITTED BY NOVEMBER 15. WITHIN CABINET, ECONOMIC AND POLITICAL COUNCILS OF MINISTERS WILL HOLD SEPARATE WEEKLY MEETINGS.
- AZORES AND MADEIRA: RELATIONS WITH PPD ADMINISTRATIONS ON THE ISLANDS WILL BE NONPARTISAN. MINISTERS OF STATE APPOINTED BY THE GOVERNMENT FOR THE AZORES AND MADEIRA WILL HAVE NO PARTY TIES. GOVERNMENT SUPPORTS AUTONOMY, BUT STRONGLY OPPOSES SEPARATISM.
- MEDIA: PLURALISM WILL BE RESPECTED IN RADIO, TELEVISION AND NEWSPAPERS. GOVERNMENT CANNOT CONTINUE TO SUBSIDZE STATE-OWNED NEWSPAPERS.
- JUSTICE AND AN END TO VIOLENCE: GOVERNMENT WILL

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ACT AGAINST THOSE WHO PLACE BOMBS, OCCUPY PROPERTY ILLEGALLY, OR USE ILLEGAL LABOR ACTIONS.

- END TO CLIMATE OF PUTSCHISM.

3. OPPOSITION REACTIONS: THE SOCIALIST PROGRAM WAS PREPARED WITH ONLY PRO-FORMA CONSULTATIONS WITH OPPOSITION PARTIES. AS EXPECTED, THE OPPOSITION REACTED COOLY TO SOARES'S PRESENTATION. DURING THE QUESTION

PERIOD WHICH FOLLOWED THE PROGRAM'S PRESENTATION, THE PARTY SPOKESMEN READ THEIR RESERVATIONS AND VIEWS INTO THE RECORDS. HIGHLIGHTS OF QUESTION PERIOD FOLLOW:

-- PPD: SA CARNEIRO STATED THAT HIS PARTY WOULD NOT ANTAGONIZE THE GOVERNMENT NOR ORGANIZE A SYSTEMATIC OPPOSITION TO TOPPLE THE GOVERNMENT, BUT WILL VOTE FOR OR AGAINST SPECIFIC MEASURES. HE ASKED WHY PORTUGAL WAS HAVING DIFFICULTY SECURING FOREIGN LOANS. HE ASKED ABOUT PLANS FOR TRANSPORTATION AND COMMUNICATION IN THE AZORES AND MADEIRA; REQUESTED CLARIFICATION OF THE MEANING OF "COMPETITIVE COEXISTENCE BETWEEN THE PUBLIC AND PRIVATE SECTORS;" AND ASKED HOW INTEGRATION WITH EUROPE WOULD BE ACCOMPLISHED.

-- CDS: CDS VICE PRESIDENT AMARO DA COSTA ASKED WHETHER THE GOVERNMENT PLANNED TO GO BEYOND ACCOMPLISHED NATIONALIZATIONS IN THE MEDIUM OR LONG-TERM, ASKED WHAT SOARES MEANT BY USE OF THE TERM "PRESIDENTIAL MAJORITY," AND TO WHOM AN AMNESTY WOULD APPLY.

-- PCP: DEPUTY CARLOS BRITO READ A LONG LIST OF COMMUNIST CONCERNS WHICH IN MANY CASES IGNORED POINTS MADE IN SOARES'S SPEECH. BRITO ASKED FOR STATEMENTS OF GOVERNMENT POLICY REGARDING SEPARATISM IN THE AZORES AND MADEIRA, THE PROSPECT FOR DENATIONALIZATIONS,

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C O N F I D E N T I A L SECTION 2 OF 2 LISBON 5216

GOVERNMENT PROGRAM PRESENTED

INTERSINDICAL, THE PARTICI-
PATION OF PRIVATE CAPITAL IN PUBLIC ENTERPRISES, THE
LAW ON WORKER CONTROL OF MANAGEMENT, AGRARIAN REFORM,
SALARY INCREASES TO MATCH COST OF LIVING INCREASES,
INDEMNIZATIONS OF "LARGE CAPITALISTS", RELATIONS WITH
ANGOLA AND MOZAMBIQUE, AND PROTECTION OF NATIONAL
INDUSTRY FROM COMPETITION UPON ENTRY INTO THE EEC.
-- UDP: THE SINGLE, FAR-LEFT, UDP DEPUTY, ACACIO BARREIROS
USED HIS QUESTION PERIOD TO ATTACK THE SOCIALIST GOVERN-
MENT ("NEITHER ANTI-FASCIST NOR PATRIOTIC"); NATO AND
THE NATO BRIGADE; AND THE UNITED STATES (CALLING FOR A
PROTEST AND REQUEST FOR THE REMOVAL OF THE AMERICAN
AMBASSADOR DUE TO "HIS ACTIVITIES AND STATEMENTS."
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4. SOARES'S RESPONSES: SOARES RESPONDED TO THE
OPPOSITION'S SPECIFIC QUESTIONS, BUT LEFT ASIDE THE
GENERAL AND IDEOLOGICAL CRITICISMS.
-- MEDIA: PORTUGUESE GOVERNMENT WILL NOT PROVIDE
ADDITIONAL LOANS TO PRIVATE NEWSPAPERS.
-- COMPETITION: "COMPETITIVE PRIVATE AND PUBLIC
ENTERPRISES" IMPLY OPERATION OF BOTH WITHOUT INTERFERENCE.
-- NATIONALIZATION OVER: PROGRAM OF NATIONALIZATIONS
IS DEFINITELY OVER; BUT GOVERNMENT WILL NOT
DENATIONALIZE.
-- PURGES OVER: IDEOLOGICAL PURGES HAVE ENDED. THE
GOVERNMENT HOPES THAT MANY TECHNICIANS WHO FLED WILL
RETURN AND THAT THE CDS WILL HELP IN THIS EFFORT.
-- INTERSINDICAL: THE GOVERNMENT WILL NOT IGNORE INTER-
SINDICAL AND ONLY WISHES THAT THE MOVEMENT FOR A SINGLE UNION
FEDERATION BE HONEST AND SUCCESSFUL. THE GOVERNMENT WILL
NEVER INTERFERE IN UNION AFFAIRS.
-- AGRARIAN REFORM: AGRARIAN REFORM LAWS WILL BE
APPLIED IN THE REGION SUBJECT TO THE LAW (I.E. SOUTH
OF THE TAGUS RIVER).
-- NATO: THE GOVERNMENT WOULD NOT LEAVE NATO UNLESS
THE WARSAW PACT DISARMS.
-- COMMON MARKET: GOVERNMENT WILL PURSUE FULL INTEGRA-
TION INTO THE COMMON MARKET. NEGOTIATIONS WILL TAKE ABOUT

THREE YEARS AND PORTUGAL WILL SEEK INTERMEDIATE STATUS
IN ORDER TO PROTECT ITS ECONOMY.

--FOREIGN LOANS: IT HAS BEEN DIFFICULT TO OBTAIN FOREIGN
LOANS EVEN WITH THE GOLD GUARANTEE, DUE TO PORTUGAL'S
DEFICIT POSITION.

5. COMMENT: OPPOSITION PARTIES SHOWED LITTLE
ENTHUSIASM FOR A PROGRAM THEY HAD NO HAND IN DRAFTING.
BUT, ONLY THE COMMUNISTS AND THE UDP SHOWED OUTRIGHT
HOSTILITY. WHILE THE SOCIALISTS CAN EXPECT SOME
TOUGH QUESTIONING IN THE ASSEMBLY OVER THE NEXT WEEK,
THE ASSEMBLY IS UNLIKELY TO REJECT THE GOVERNMENT
PROGRAM. AS SOARES WARNED THE ASSEMBLY IN HIS
INTRODUCTORY REMARKS, THE ASSEMBLY WOULD HAVE TO
AGREE ON A SUBSTITUTE GOVERNMENT IF IT SHOULD REJECT
THE SOCIALISTS.

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